DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES Bureau of Human Resources

June 8, 1998

HUMAN RESOURCES MEMORANDUM 5-98

TO: Agency Heads, Directors of Administrative Services, Agency Human

Resources Representatives

SUBJECT: Payment for May 10, 1991 and May 24, 1991 Shutdown days

Shutdown History

In 1991, the Legislature enacted legislation (Chapter 121, Part A, Section 7) that closed most state departments, agencies and offices on May 10, 1991 and May 24, 1991. The closure affected all State employees except employees who provided essential services and were required to work and employees in 100% federally funded positions who (with some exceptions due to lack of work or supervision) worked these days as usual.

As the result of these shutdowns, most employees lost two days of pay - one day's pay was lost during the pay cycle including May 10th and one day's pay was lost during the pay cycle including May 24th. The shutdown legislation provided that affected employees would be paid for these lost days when they terminated from State service, and the payment would be based on the rate of pay at the time of shutdown or the rate of pay at time of termination, whichever was the greater.

Essential service employees who were required to work on May 10th or May 24th were paid by compensatory time off in lieu of cash, and were also made eligible to receive cash payment for these days when they terminated from State service (at the greater of the two rates).

In those instances where May 10th and/or May 24th were a normal day off, employees had one day of pay withheld for another day during each affected pay cycle. Employees earned the equivalent in compensatory time off for each such replacement day and were made eligible to receive cash payment for these days when they terminated form State service (at the greater of the two rates).

Change To The "Shutdown" Payment Method

During the last session of the Legislature, Chapter 121, Part A, Section 7 was repealed and replaced by new legislation (Chapter 643, Part V). The new legislation provides an appropriation and special funding authority to make the payments that would have been paid at time of termination during the current fiscal year. State employees who have already been paid for these days under the 1991 legislation as the result of an earlier termination are <u>not eligible</u> for any additional payment under the new legislation.

Payment Method

State employees who did not terminate and receive payment under the 1991 law, and who are otherwise eligible to be paid for these two days, will be paid for these days with their regular pay check on June 17, 1998 (Cycle A) or June 24, 1998 (Cycle B). Taxes and retirement will be withheld.

Employees who are due payment for these days have been identified by using MFASIS history records. They have been identified by searching history records for employees who have a Shutdown Pay Component #19 entry (this pay component identifies the total hours not paid on May 10 and May 24, 1991 and the fully burdened rate in effect on these shutdown days) and <u>not</u> an Other Pay Component #28 entry (this pay component was used when employees terminated and received payment for these days). In addition the MFASIS system has compared the fully burdened rate in effect for each of these employees <u>on June 05, 1998</u>¹ (the date used for the current rate of pay) with the <u>average</u> of the fully burdened rates that were paid on May 10, 1991 and May 24, 1991. This averaging process will correct for any differences in fully burdened rates on May 10, 1991 and May 24, 1991 (as, for example, increases due to a promotion between May 10th and May 24th). The larger of these two rates (e.g., the average rate for May 10th and May 24th or the rate on June 5th) has been used, together with the hours not paid on these days, to automatically compute the total payment due.

The results of these transactions are summarized on Report PWHE343A - "Generated Shutdown Payment Transactions". This attached report lists, by department, all employees who, by MFASIS records, are due payment and the total amount that is due. The MFASIS system will use the information shown on the PWHE343A report (with any authorized corrections) to automatically generate the associated pay transactions. Consequently, each department must review this report for errors and make any needed corrections as soon as it is received.

Report PWHE343B is also attached for immediate review and correction. This report lists employees who had pay withheld for the May 10 and May 24, 1991 shutdown days but who were subsequently terminated without an Other Pay Component #28 entry. Based on a quick review of the employees on this list by the Bureau of Accounts and Control, it appears that most, if not all, of the employees on this report were paid for the shutdown days when they terminated by using a pay component other than Pay Component #28. However, this needs to be verified. Each department must review its PWHE343B report and make a "not paid" comment beside the name of any department employee on this report who was **not paid for the shutdown days** when they terminated. If all employees listed on a departmental report were paid for the shutdown days, make the comment "All received shutdown pay."

The annotated PWHE343A and PWHE343B reports must be signed and returned to the Bureau of Accounts and Control by June 10, 1998 (Cycle A) or June 12, 1998 (Cycle B).

Follow-up Report

After the payments for the shutdown days are made, departments will be provided a microfiche record that will list (by department and alphabetically by name) the shutdown payments made to their employees on June 17, 1998 (Cycle A) or June 24, 1998 (Cycle B). The Bureau of Human Resources will be provided hard copy single-sheet reports for all employees who received a shutdown payment on June 17, 1998 or June 24, 1998 (statewide and alphabetically by name). These hard copy reports will be filmed on individual employee records as the official record of payment. The information on these follow-up reports will include company and position numbers, the fully burdened hourly rate used, the number of shutdown hours paid at this hourly rate and appropriation number charged .

¹ In order to administer this payment, the salary at time of payment (as compared to the salary in effect on the shutdown days) will be the salary in effect on June 05, 1998, regardless of any change to this rate that may be in process but not authorized (e.g., reclassifications in process but not completed) and regardless of any authorized changes to this rate between June 01, 1998 and the actual payment date of June 17, 1998 or June 24, 1998 (e.g., changes to rate due to promotion, demotion or transfer).

Donald A. Wills, Director

BUREAU OF HUMAN RESOURCES